

Honolulu, Hawaii

February 16, 2017

RE: H.B. No. 1065

H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 1065 entitled:

"A BILL FOR AN ACT RELATING TO ACTUARIAL COSTS OF SEPARATION OF PUBLIC EMPLOYEES FROM SERVICE,"

begs leave to report as follows:

The purpose of this measure is to require employers who separate a significant number of employees from public service to pay the Employees' Retirement System any actuarial loss incurred due to the separation.

The Board of Trustees of the Employees' Retirement System testified in support of this measure. The Hawaii Health Systems Corporation testified in opposition.

Your Committee finds that this measure assists the Legislature in assessing the impact and costs associated with privatizing public services.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2050, to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.



As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1065, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1065, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Labor & Public
Employment,



AARON L. JOHANSON, Chair



